



GARY R. HERBERT
Governor

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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 29, 2016

Brent Andrews
Tar Sands Holdings II, LLC
60 East South Temple, Suite 1800
Salt Lake City, Utah 84111

Subject: Initial Review of Response to Division Directive to Consolidate Permits, Tar Sands Holdings II, LLC, and Uintah County Asphalt Mine and Asphalt Ridge 2 Mine, M/047/0022 and M/47/0032 Uintah County, Utah

Dear Mr. Andrews:

The Division of Oil, Gas and Mining has reviewed the referenced consolidated Notice of Intention to Commence Large Mining Operations (Notice) which was received June 1, 2016. The review is attached.

The Division has the following general comments:

- The submittal should be formatted to easily incorporate additional revisions and amendments.
- The Division may have additional comments based on the review responses.

Please submit your response to this review by August 8, 2016.

Thank you for your efforts to consolidate these two permits. The Division will suspend further review of the Notice of Intention until your response to this letter is received. Please contact April Abate, at 801-538-5214 or me at 801-538-5261 if you have questions concerning the review. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: aa: eb

Attachment: Review

cc: Denise Dragoo, Snell and Wilmer ddragoo@swlaw.com

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Initial Review
Page 2 of 2
M/047/0032
June 29, 2016

**REVIEW OF AMENDED NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS**

**Tar Sands Holdings II, LLC
Asphalt Ridge Mine**

**M/047/0032
June 29, 2016**

R647-4-105 - Maps, Drawings & Photographs

General Map Comments

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
	Page 4	Figure 8 is being removed from the NOI. The last sentence before section R647-4-106 on page 4 should reference Figure 2.	aa	
	Figure 6C	The permit area should be identified on this map for reference.	aa	

R647-4-113 – Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
	Page 26	The Division cannot accept the pro rata method used for the reduction in bond for the nine acres of undisturbed ground being removed from the permit. This would assume a lump-sum cost per acre which includes demolition, earthwork, and revegetation. The nine acres is undisturbed ground, so the costs using pro-rata are too high. Please calculate the nine-acre reduction using the cost-per-acre rates established in the Division's 2016 memo for reclamation surety costs (see attached).	aa	
	Appendix F	Once the reclamation cost estimate has been recalculated, please provide an updated Appendix F. The bond summary sheet should be updated using the 2016, five-year escalation rate of 0.7 percent along with updated cost worksheets for demolition, earthwork and revegetation.	aa	